
Profile of the Profession

2015

MISSION

To contribute to Ireland having a strong regulatory environment in which to do business by supervising and promoting high quality financial reporting, auditing and effective regulation of the accounting profession in the public interest

Table of Contents

1. Chief Executive's introduction	1
2. Prescribed Accountancy Bodies	2
3. Provision of information by the PABs	2
4. Comparability of data	2
5. Definitions used in this document	3
6. Links to the PABs' websites	4

Part A:

<i>Membership</i>	<i>5</i>
-----------------------------	----------

Part B:

<i>Student population</i>	<i>11</i>
-------------------------------------	-----------

Part C:

<i>Practising certificates</i>	<i>16</i>
--	-----------

Part D:

<i>Statutory auditors and audit firms</i>	<i>18</i>
---	-----------

Part E:

<i>Quality assurance of statutory audit firms</i>	<i>21</i>
---	-----------

Part F:

<i>PABs' investigation and disciplinary activities</i>	<i>27</i>
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DISCLAIMER

Whilst every effort has been made to ensure the accuracy of the information contained in this document, the Irish Auditing & Accounting Supervisory Authority accepts no responsibility or liability howsoever arising from any errors, inaccuracies, or omissions occurring.

1. Chief Executive's introduction

It is with pleasure that I present the Irish Auditing and Accounting Supervisory Authority's Profile of the Profession 2015, the purpose of which is to provide readers with an insight into:

- the Prescribed Accountancy Bodies' ('PABs') membership, student numbers, and public practice profiles; and
- the nature and scale of the PABs' regulatory and monitoring activities.

Additional information regarding IAASA's supervision of the PABs will be available in Chapter 3 of IAASA's 2015 Annual Report.

Overall trends

At 31 December 2015:

- there were 34,777 PAB members resident in Ireland, an increase of 3% from 2014;
- the PABs' aggregate student membership resident in Ireland was 16,604, a slight increase on the previous year (16,473);
- 3,444 PAB members located in Ireland were authorised to provide services to members of the public; and
- the number of registered audit firms located in Ireland stood at 1,476.

Acknowledgement

I acknowledge the efforts made by the PABs in compiling the information contained in this document and thank them for their cooperation in responding to IAASA's queries.

Michael Kavanagh

Interim Chief Executive

May 2016

2. Prescribed Accountancy Bodies

A Prescribed Accountancy Body, or PAB, is an accountancy body that comes within IAASA's supervisory remit. There are currently nine PABs:

- **ACCA** Association of Chartered Certified Accountants;
- **AIA** Association of International Accountants;
- **CIMA** Chartered Institute of Management Accountants;
- **CIPFA** Chartered Institute of Public Finance & Accountancy;
- **ICAEW** Institute of Chartered Accountants in England and Wales;
- **ICAI** Institute of Chartered Accountants in Ireland;
- **ICAS** Institute of Chartered Accountants of Scotland;
- **ICPAI** Institute of Certified Public Accountants in Ireland; and
- **IIPA** Institute of Incorporated Public Accountants.

Six of the nine PABs are also Recognised Accountancy Bodies ('RABs'). RABs are permitted to approve their members/member firms to practice as statutory auditors/audit firms. The six RABs are the ACCA, ICAEW, ICAI, ICAS, ICPAI and the IIPA. Further information regarding each of the nine PABs is available on their respective websites, links to which can be found at section 6 below.

3. Provision of information by the PABs

At the start of each year, the PABs are required to complete an annual return for the previous year in order to:

- provide IAASA with the information necessary to monitor the PABs' ongoing regulatory activities and to develop supervisory responses as necessary; and
- enable IAASA to provide the public with an insight into the PABs' scale and composition, as well as their principal regulatory activities.

Consequently, IAASA has relied on the PABs to provide the information contained in this document, which was submitted as part of the annual return process. Given the dual purpose of the data contained in the PABs' annual returns, as detailed above, not all of the information gathered by IAASA is included in this document.

4. Comparability of data

In analysing the information presented in this document it is important to note that there are differences in the structure and operations of the nine PABs. There may also be differences in their interpretation of the information requested. These inherent limitations may cause some difficulties in making comparisons. While IAASA has tried to minimise such differences through the design and regular updating of the annual return templates, care is needed in interpreting the data presented in this document and direct comparison may not be appropriate or meaningful in some cases.

5. Definitions used in this document

The definitions below are used in this document.

'complaint'	any expression of dissatisfaction with accounting related services, whether communicated to a PAB by a member of the public or otherwise
'Ireland'	the Republic of Ireland
'Irish relevant'	relating to members and students located in Ireland, firms based in Ireland and/or members/firms with clients based in Ireland
'location'	the primary address used for correspondence by the member, student or in the case of a firm the site of the office
'member(s)'	an individual who has applied for and is currently admitted to full membership of the relevant PAB
'Prescribed Accountancy Body' ('PAB')	a Prescribed Accountancy Body that comes within IAASA's supervisory remit
'Public Interest Entity' ('PIE')	Public Interest Entity ('PIE') as defined in Regulation 3 of S.I. 220 of 2010, which includes certain listed entities, credit institutions and insurance undertakings
'principal'	a partner in a member firm including a sole practitioner
'RAB'	a Recognised Accountancy Body permitted to approve its members/member firms as statutory auditors/firms
'regulatory committee'	any committee of a PAB with any role or responsibility in relation to the admission, licensing, registration, quality assurance or disciplining of members and/or students
'S.I.220 of 2010'	S.I. No. 220 of 2010 European Communities (Statutory Audits) (Directive 2006/43/EC) Regulations 2010
'statutory auditor'	an individual that is approved in accordance with S.I. 220 of 2010 to carry out statutory audits
'statutory audit firm'	an audit firm which is approved in accordance with S.I. 220 of 2010 to carry out statutory audits
'student'	an individual who is registered with the relevant PAB as a student and is actively pursuing the education process for admission to full membership. It includes individuals who are exam qualified but have not yet been admitted to full membership. It does not include individuals who are pursuing an accounting technician qualification or any qualification other than full membership
'worldwide'	'worldwide' throughout this document includes 'Ireland'

6. Links to the PABs' websites

Further information regarding each of the nine PABs is available on their respective websites, as set out below.

Association of Chartered Certified Accountants	www.accaglobal.com
Association of International Accountants	www.aiaworldwide.com
Chartered Institute of Management Accountants	www.cimaglobal.com
Chartered Institute of Public Finance and Accountancy	www.cipfa.org
Institute of Chartered Accountants in England and Wales	www.icaew.com
Institute of Chartered Accountants in Ireland	www.charteredaccountants.ie
Institute of Chartered Accountants of Scotland	www.icas.com
Institute of Certified Public Accountants in Ireland	www.cpaireland.ie
Institute of Incorporated Public Accountants	www.iipa.ie

PART A

Membership

Admission to PAB membership

Admission to PAB membership requires applicants to satisfy various criteria, which typically include:

- successfully completing the relevant PAB's professional examinations;
- obtaining a minimum period of relevant supervised work experience; and
- undertaking to comply with the relevant PAB's standards, including its bye-laws, rules, regulations and code of ethics and conduct.

Members' obligations

In order to retain their membership status, PAB members are required to fulfil certain continuing obligations, including:

- undertaking Continuing Professional Development ('CPD') to maintain their professional competence; and
- complying on an ongoing basis with the relevant PAB's standards, including its bye-laws, rules, regulations and code of ethics and conduct.

Failure to comply with these requirements may result in a PAB taking disciplinary action against a member. Part F of this document provides additional information regarding the PABs' investigation and disciplinary activities.

Membership - tables and charts

Tables A.1 and A.2 and Chart A.1 show the PABs' membership numbers at 31 December 2015, the location of these members throughout the world and the movements in Irish membership numbers during the year. Tables A.3 to A.5 and Charts A.2 to A.4 analyse Irish based members by gender, employment status and age.

- During 2015, there was a 3% increase in PAB membership both in Ireland and worldwide. ICAI (at 46%) has the largest number of members in Ireland (16,119), while ACCA (at 37%) has the largest membership worldwide (183,386).
- ICAI, ICPAI and IIPA members are mainly resident in Ireland, with the majority of ICAEW, ICAS, CIMA and CIPFA members resident in the UK. Almost half of ACCA members are resident in the UK and Ireland, while the majority of AIA members are resident outside of the EU.
- Four PABs account for 97% of PAB members located in Ireland:
 - ICAI (46.3%);
 - ACCA (28.2%);
 - CIMA (12.3%); and
 - ICPAI (10.6%).
- 42% of PAB members resident in Ireland are female. Table A.3 shows that, with the exception of ICPAI, males comprise the majority gender within the PABs. The student gender statistics in Table B.3 indicate likely future trends in membership gender profiles.
- While the majority of PAB members resident in Ireland are employed in industry/business (62%), a significant minority are employed in practice (23%).

Table A.1: Members worldwide - location

As at 31 December	2014 TOTAL	2015 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Ireland	33,706	34,777	9,811	438	16,119	71	3,684	218	100	4,268	68
UK	305,284	313,111	77,017	123,103	5,580	17,605	113	3	1,389	75,185	13,116
Other EU Member States	19,137	20,284	11,817	5,108	322	489	48	0	190	2,224	86
Other locations	131,163	134,110	84,741	17,097	2,475	2,544	226	1	5,076	21,265	685
Total members worldwide	489,290	502,282	183,386	145,746	24,496	20,709	4,071	222	6,755	102,942	13,955

Chart A.1: Share of members located in Ireland

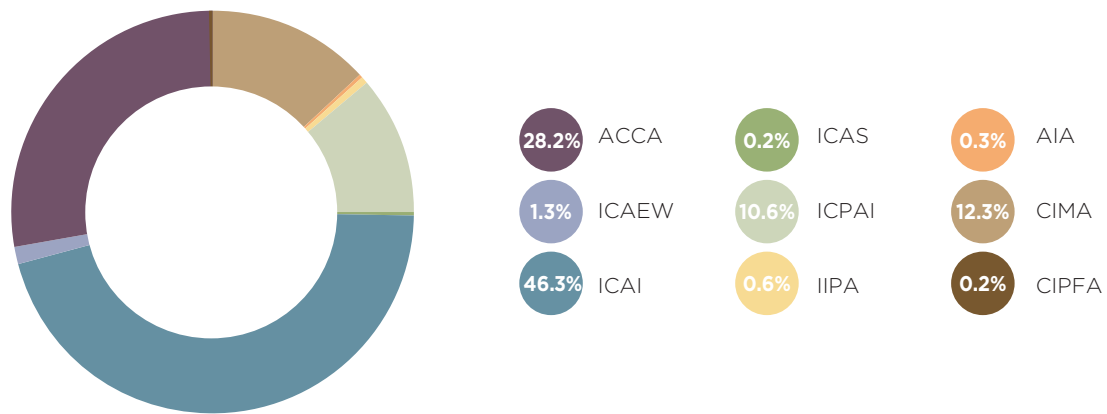


Table A.2: Members in Ireland - movement during the year

	2014 TOTAL	2015 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Members in Ireland at 1 January	32,641	33,706	9,367	437	15,529	69	3,635	219	111	4,274	65
During the Year:											
ADD: Students admitted as members	1,588	1,575	616	-	735	-	102	4	1	116	1
Members of other 8 PABs admitted as members	22	12	1	-	-	-	3	4	1	-	3
Members of other bodies admitted as members		12	8	-	2	-	-	2	-	-	-
Former members re-admitted to membership on payment of outstanding fees	227	539	445	-	6	-	5	-	-	83	-
Former members re-admitted to membership for other reasons	4	3	-	-	-	-	-	3	-	-	-
LESS: Members excluded from membership for non payment of fees	(474)	(845)	(611)	(4)	(41)	-	(1)	(7)	-	(181)	-
Members excluded from membership for other reasons	(2)	(2)	-	-	(1)	(1)	-	-	-	-	-
Members resigning from membership	(102)	(122)	(10)	(1)	(59)	-	(30)	(6)	(5)	(10)	(1)
Members deceased	(49)	(37)	(5)	(1)	(24)	-	-	(1)	(3)	(3)	-
Other	(149)	(64)	-	7	(28)	3	(30)	-	(5)	(11)	-
Members in Ireland at 31 December	33,706	34,777	9,811	438	16,119	71	3,684	218	100	4,268	68

Footnote: ICAI and ICPAI 'other' category arises due to movement of students admitted as members between jurisdictions during the year of admission.

Table A.3: Members in Ireland - gender profile

As at 31 December	2014 TOTAL	2015 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Female	13,993	14,562	4,526	119	6,506	17	1,903	29	6	1,431	25
Male	19,713	20,215	5,285	319	9,613	54	1,781	189	94	2,837	43
Total membership	33,706	34,777	9,811	438	16,119	71	3,684	218	100	4,268	68

Chart A.2: Members in Ireland - gender profile

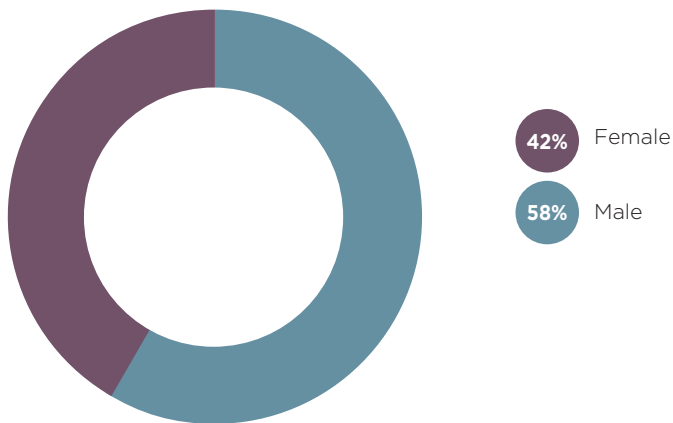


Table A.4: Members in Ireland - employment status

As at 31 December	2014 TOTAL	2015 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Practice	7,969	8,148	2,027	95	4,502	17	1,260	178	13	56	-
Industry/Business	20,771	21,509	6,276	197	9,323	37	1,870	25	54	3,715	12
Public Sector	1,708	1,741	682	28	496	5	345	6	4	136	39
Retired	1,364	1,456	247	88	603	11	109	7	25	361	5
Other	1,894	1,923	579	30	1,195	1	100	2	4	-	12
Total	33,706	34,777	9,811	438	16,119	71	3,684	218	100	4,268	68

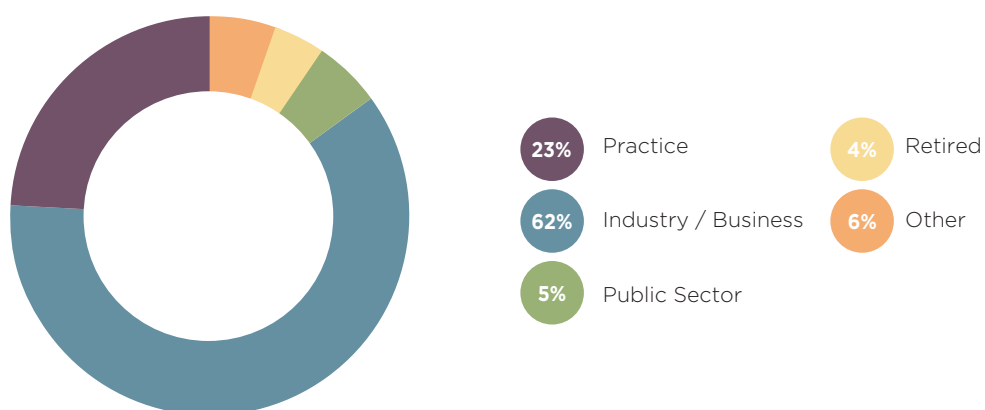
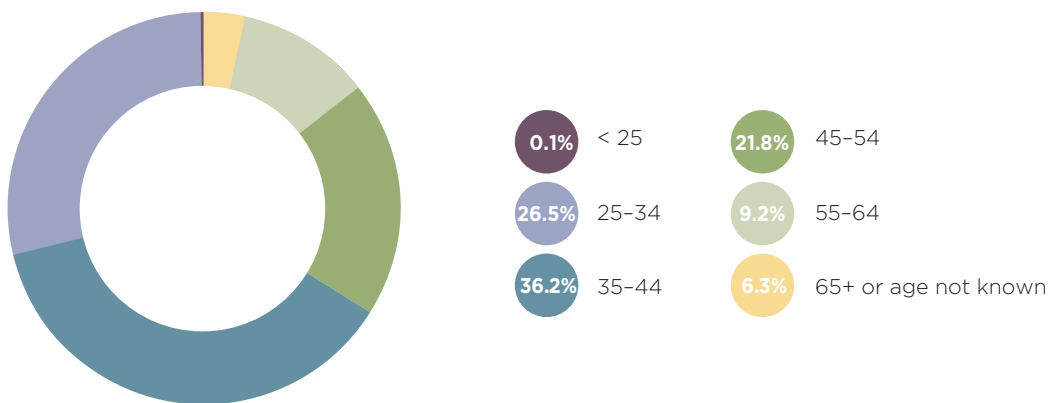
Chart A.3: Members in Ireland - employment status

Table A.5: Members in Ireland - age profile

As at 31 December	2014 TOTAL	2015 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
< 25	61	47	34	-	9	-	2	-	-	2	-
25 - 34	9,029	9,218	2,660	32	5,489	17	604	22	6	387	1
35 - 44	12,179	12,572	4,154	111	5,056	14	1,389	47	5	1,781	15
45 - 54	7,273	7,572	2,058	126	2,934	16	1,062	38	13	1,296	29
55 - 64	3,092	3,187	590	63	1,505	11	512	65	31	393	17
65+ or age not known	2,072	2,181	315	106	1,126	13	115	46	45	409	6
Total	33,706	34,777	9,811	438	16,119	71	3,684	218	100	4,268	68

Chart A.4: Members in Ireland - age profile



PART B

Student Population

Student membership

The education and training of students is an important element of the PABs' overall activities. While students are required to comply with the relevant PAB's applicable bye-laws, rules and regulations, they:

- do not have membership status and cannot hold themselves out to be PAB members;
- cannot be granted a certificate to provide accounting or auditing services to the public; and
- are not entitled to use the designatory letters reserved for members of that PAB.

Student population - tables and charts

Tables B.1 and B.2 and Chart B.1 indicate the PABs' student numbers at 31 December 2015, the location of these students and the movements of Irish based students during the year. Tables B.3 to B.4 and Charts B.2 to B.3 analyse students in Ireland by gender and employment status.

- The PABs' worldwide student numbers rose by 3% in 2015, whilst the number of students resident in Ireland increased only slightly from 16,473 to 16,604.
- As with membership (see Part A), ICAI, ICPAI and IIPA students are mainly based in Ireland, with the majority of students in ICAEW, ICAS and CIPFA resident in the UK. 42% of CIMA students are resident in Ireland and the UK, while the majority of ACCA (73%) and AIA (97%) students are resident outside the EU.
- Four bodies dominate the student market in Ireland, with 49% of all PAB students in Ireland registered with ACCA, followed by ICAI (33%), CIMA (13%) and ICPAI (5%). ICAEW, IIPA, AIA and CIPFA have very low student numbers in Ireland. ICAS does not currently have any students located in Ireland.
- In contrast to the membership statistics (see Part A), just over 51% of students resident in Ireland are female. Whilst five of the PABs have either a majority of male students or similar numbers for both genders, ACCA, CIPFA and ICPAI have a majority of female students in Ireland.
- Industry/Business is the sector employing the most students in Ireland at 44% with a further 35% employed in Practice.

Table B.1: Students worldwide - location

As at 31 December	2014 TOTAL	2015 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Ireland	16,473	16,604	8,218	4	5,426	-	800	40	3	2,110	3
UK	150,005	148,539	73,242	18,161	1,197	3,350	13	1	198	50,444	1,933
Other EU Member States	26,883	33,252	24,501	995	1	4	6	-	58	7,542	145
Other locations	352,982	362,320	282,675	4,989	3	12	62	-	7,215	65,667	1,697
Total students worldwide	546,343	560,715	388,636	24,149	6,627	3,366	881	41	7,474	125,763	3,778

Chart B.1: Share of students located in Ireland

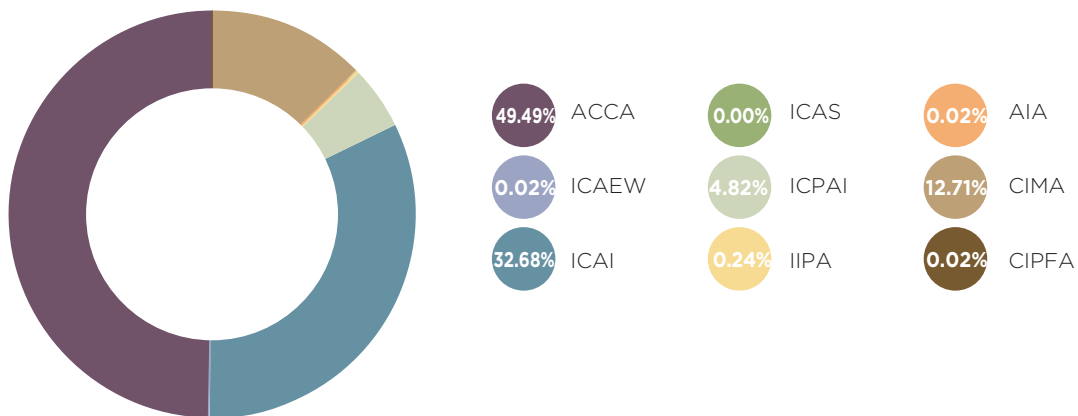


Table B.2: Students in Ireland - movement during the year

			Recognised Accountancy Bodies								
	2014 TOTAL	2015 TOTAL	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Students in Ireland at 1 January	16,380	16,473	8,058	3	5,376	-	810	42	5	2,175	4
During the year:											
ADD: New students registered	3,201	3,265	1,423	2	1,178	-	180	11	-	470	1
LESS: Lapsed student registrations	(1,318)	(1,369)	(608)	(1)	(219)	-	(88)	(9)	(1)	(443)	-
Student registrations cancelled	(202)	(212)	(39)	-	(146)	-	-	-	-	(26)	(1)
Students admitted as full members	(1,588)	(1,575)	(616)	-	(735)	-	(102)	(4)	(1)	(116)	(1)
Other	-	22	-	-	(28)	-	-	-	-	50	-
Students in Ireland at 31 December	16,473	16,604	8,218	4	5,426	-	800	40	3	2,110	3

Table B.3: Students in Ireland - gender profile

As at 31 December	2014 TOTAL	2015 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Female	8,467	8,483	4,590	-	2,540	-	455	18	-	877	3
Male	8,006	8,121	3,628	4	2,886	-	345	22	3	1,233	-
Total	16,473	16,604	8,218	4	5,426	-	800	40	3	2,110	3

Chart B.2: Students in Ireland - gender profile

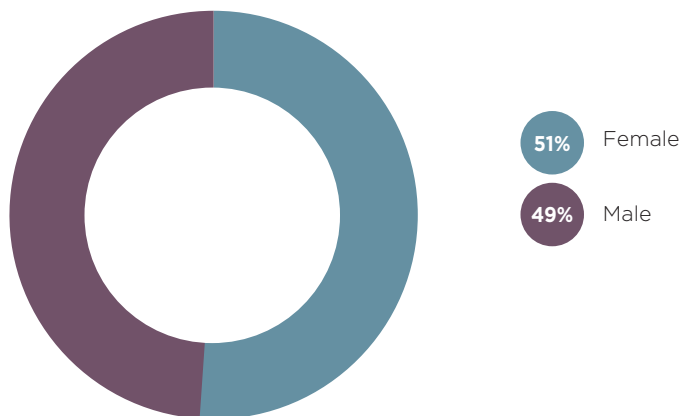
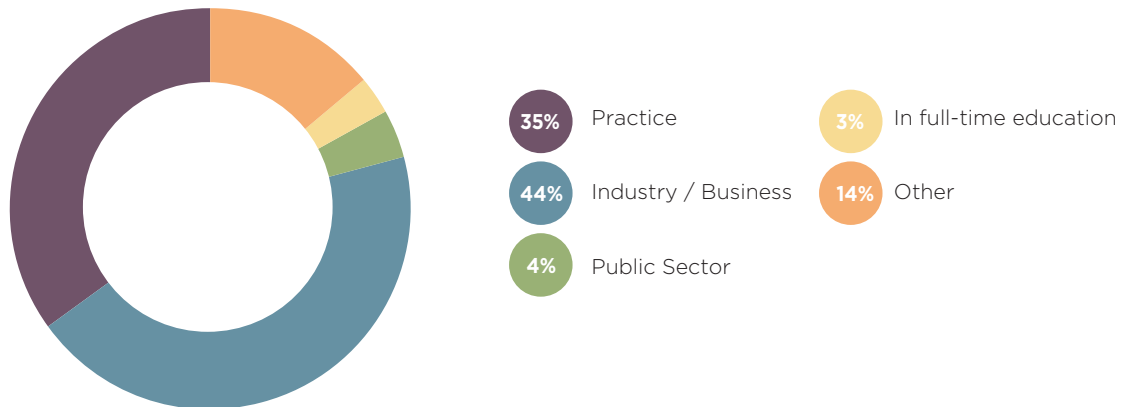


Table B.4: Students in Ireland - employment status

As at 31 December	2014 TOTAL	2015 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Practice	5,417	5,722	1,234	1	4,310	-	155	21	1	-	-
Industry/Business	7,783	7,346	4,645	-	92	-	532	18	2	2,057	-
Public Sector	666	703	588	-	10	-	49	1	-	53	2
In full-time education	494	557	538	-	-	-	19	-	-	-	-
Other	2,113	2,276	1,213	3	1,014	-	45	-	-	-	1
Total	16,473	16,604	8,218	4	5,426	-	800	40	3	2,110	3

Chart B.3: Students in Ireland - employment status



PART C

Practising certificates

Criteria for the awarding of practising certificates

The PABs impose additional requirements on their members who wish to engage in public practice, i.e. to offer accounting related services to the public. These additional requirements normally include:

- obtaining a minimum level of post-membership experience;
- holding professional indemnity insurance cover;
- putting in place practice continuity arrangements whereby, in the event that a member ceases to practice (for example, in the case of illness or death), clients will have continuity of service; and
- undertaking CPD in areas of relevance to their practice.

Members or member firms who satisfy the specified criteria are granted a practising certificate, although they are not permitted to provide services in reserved areas such as audit or investment business, for which additional authorisations are required. Members and member firms are generally required by the PABs to renew their practising authorisation each year. An employee of a practising member or member firm is not usually required to hold a practising certificate, unless he/she is providing services to the public in an individual capacity.

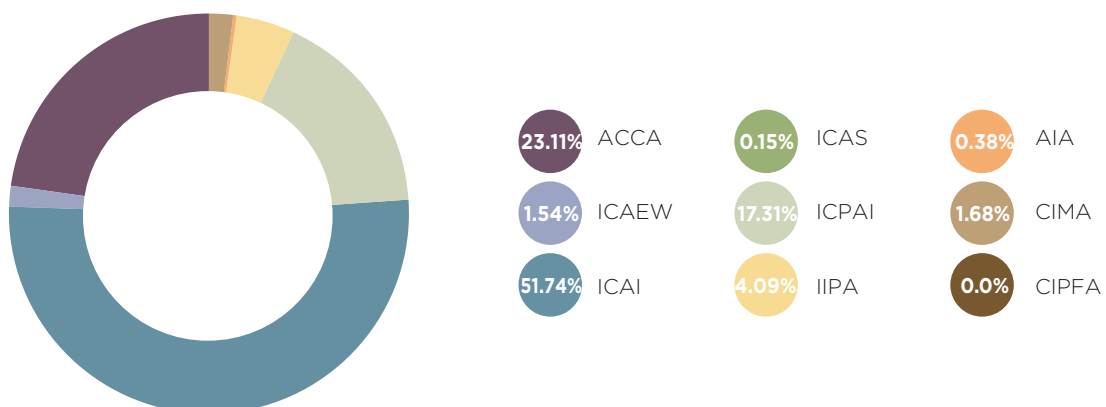
Practising certificates – table and chart

Table C.1 details the number of PAB members in Ireland holding practising certificates along with movements during the year and the total number of PAB members worldwide authorised to practise in Ireland. Chart C.1 illustrates each PAB's share of members with practising certificates in Ireland.

- There were 3,444 PAB members located in Ireland authorised to engage in public practice at 31 December 2015, with three bodies dominating the population:
 - ICAI (52%);
 - ACCA (23%); and
 - ICPAI (17%).
- The number of PAB members in Ireland holding practising certificates (3,444) is largely unchanged from the previous year (3,441).
- There were 30,173 PAB members located worldwide (including Ireland) authorised to practise in Ireland, 74% of which were ICAEW members.

Table C.1: Members with practising certificates who are located in Ireland

	2014 TOTAL	2015 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Members with practising certificates at 1 January	3,423	3,441	809	50	1,762	4	596	148	13	57	2
During the year:											
Add: Members who were granted a new practising certificate during the year	157	165	43	3	87	1	20	9	-	2	-
Less: Members who did not renew their practising certificate during the year	(124)	(143)	(47)	-	(66)	-	(13)	(16)	-	(1)	-
Less: Practising certificates withdrawn by the Institute/Association during the year	(18)	(15)	(9)	-	-	-	(6)	-	-	-	-
Other	3	(4)	-	-	(1)	-	(1)	-	-	-	(2)
Practising certificates at 31 December (for members located in Ireland)	3,441	3,444	796	53	1,782	5	596	141	13	58	-
Practising certificates at 31 December to practise in Ireland (for members worldwide)	30,563	30,173	1,416	22,183	2,455	1,709	598	141	13	1,658	-

Chart C.1: Share of members with practising certificates located in Ireland

PART D

Statutory auditors and audit firms

Criteria for audit authorisation

While the six RABs are authorised to approve their members/member firms as statutory auditors/audit firms, membership of a RAB does not automatically entitle an individual or firm to provide audit services. Rather, if a member or firm satisfies the relevant company law requirements and any additional criteria set by the relevant RAB, they may obtain approval and registration from that RAB to audit. Such company law and RAB criteria usually include:

- an audit qualification for any individual who proposes to sign an audit report;
- sufficient and appropriate audit experience;
- holding sufficient professional indemnity insurance cover;
- putting in place continuity arrangements whereby, in the event of cessation of an audit practice (for example, in the case of illness or death), clients will have continuity of service; and
- undertaking relevant CPD.

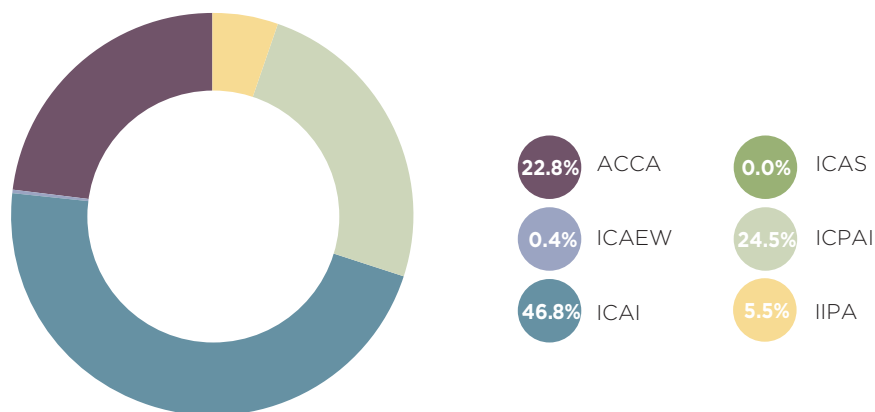
Statutory auditors and audit firms – tables and chart

The tables and chart in this Part provide information in respect of the member firms approved by the six RABs to perform statutory audits in Ireland along with details of the movement in the number of statutory audit firms based in Ireland during the year.

- 1,476 statutory audit firms with offices in Ireland were approved by the RABs to offer auditing services in Ireland at 31 December 2015, a reduction of 4.3% from the previous year (1,542).
- The majority (68%) of statutory audit firms with offices in Ireland operate as firms with only one audit principal. These may be sole traders and may or may not employ staff.
- A significant majority (93%) of statutory audit firms with offices in Ireland operate from one office only.
- Only 10 firms located in Ireland have PIE audit clients, of which 9 are authorised by ICAI.
- Three of the RABs who approve member firms in both Ireland and the UK (ICAEW, ICAI and ICAS) generally approve their member firms to perform statutory audits in both jurisdictions. Additionally, the ACCA authorises its UK based firms that wish to provide audit services to Irish clients as statutory audit firms in Ireland. Therefore, in total, there are 5,272 firms who are authorised as statutory auditors in Ireland.

Table D.1: Statutory audit firms with offices in Ireland - analysis by principal, offices & PIE clients

As at 31 December 2015	2015 TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Whether audit registration is by member or by firm		Firm	Firm	Firm	Firm	Firm	Both
<i>Analysis of firms by number of principals who are statutory auditors:</i>							
1 principal	1,011	267	6	374	-	291	73
2 - 5 principals	443	68	-	297	-	70	8
6 - 10 principals	10	1	-	8	-	1	-
11 + principals	12	-	-	12	-	-	-
<i>Analysis of firms by number of offices:</i>							
1 office	1,378	308	6	637	-	347	80
2 offices	71	22	-	38	-	10	1
3 offices	17	3	-	9	-	5	-
4 + offices	10	3	-	7	-	-	-
<i>Analysis of firms by number of PIE clients:</i>							
No PIE clients	1,466	335	6	682	-	362	81
1-5 PIE clients	2	1	-	1	-	-	-
6-10 PIE clients	2	-	-	2	-	-	-
11+ PIE clients	6	-	-	6	-	-	-
Total number of statutory audit firms with offices in Ireland at 31 December	1,476	336	6	691	-	362	81
Total number of statutory audit firms located worldwide approved to audit in Ireland at 31 December	5,272	480	3,256	894	199	362	81

Chart D.1: Share of audit firms located in Ireland**Table D.2:** Statutory audit firms with offices in Ireland - movement during the year

Year to 31 December 2015	Total	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Audit registrations at 1 January 2015	1,542	347	6	726	-	372	91
During the year:							
ADD: New applications for audit registration accepted	56	10	-	23	-	19	4
LESS: Audit registrations withdrawn/not renewed following a request from the statutory auditor	(105)	(15)	-	(57)	-	(26)	(7)
Audit registrations withdrawn/suspended as a result of disciplinary or other regulatory action taken by the Institute/Association	(10)	(6)	-	(1)	-	(3)	-
Other	(7)	-	-	-	-	-	(7)
Statutory audit firms at 31 December 2015	1,476	336	6	691	-	362	81

PART E

Quality assurance of statutory audit firms

Responsibility for quality assurance of statutory audit firms

Under the current legislation, the six RABs must operate a system of quality assurance in relation to their members/member firms. IAASA's role is to supervise the manner in which the RABs meet these quality assurance responsibilities. Further details of this supervision will be described in the Authority's 2015 Annual Report.

With effect from 20 May 2010, Article 84 of S.I. 220 of 2010 requires the RABs to undertake a quality assurance review of each statutory audit firm at least once every six years or, where they have at least one Public Interest Entity (PIE) client, at least once every 3 years.

The information in this Part relates to the quality assurance systems used by the RABs to assess statutory audit firms. While some RABs' quality assurance process covers other areas of members'/member firms' activities, such as investment business activities, these are not reported on here.

In reviewing Tables E.2 and E.3 it should be noted that the number of statutory audit firms changes regularly, as new registrations are approved and others cease. Therefore, there is a small percentage of statutory audit firms registered at 31 December 2015 where the requirement for a quality assurance review within six years commenced after 20 May 2010.

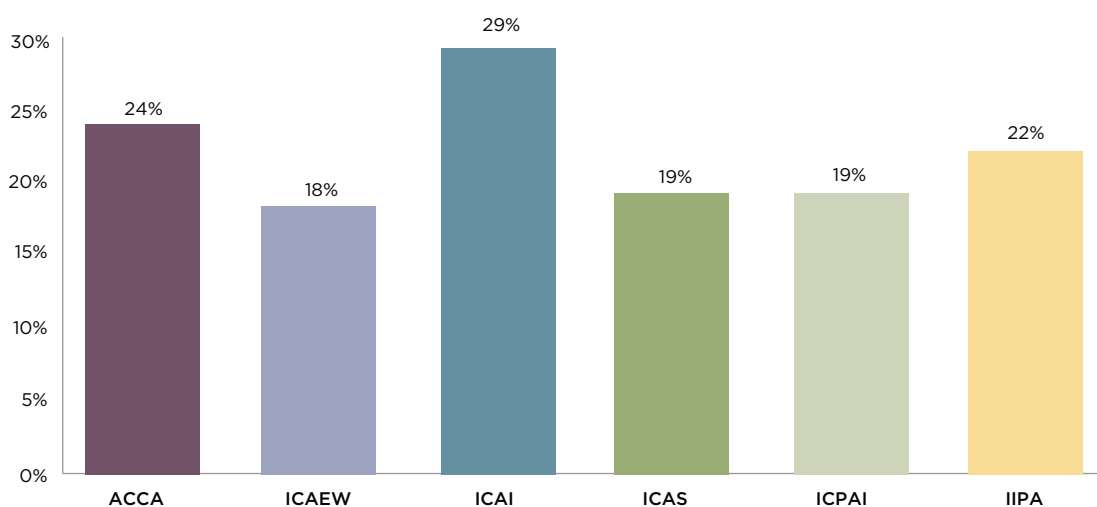
Quality assurance of statutory audit firms – tables and chart

The tables and chart in this Part provide a summary of the RABs' quality assurance activities during 2015, including an analysis of the number of quality assurance on-site visits undertaken, progress against the statutory review cycle, regulatory actions and visit outcomes.

- A total of 426 on-site quality assurance reviews were concluded for audit firms located in Ireland during 2015, which represents 29% of all statutory audit firms located in Ireland. The RABs concluded an aggregate total of 1,083 on-site quality assurance reviews of statutory audit firms approved to carry out Irish statutory audits during 2015.
- Chart E.1 shows the number of on-site visits as a percentage of registered firms by RAB, which ranges from 18% to 29%.
- Table E.5 shows the regulatory actions imposed by the RABs during 2015 following unsatisfactory quality assurance reviews. Regulatory actions are imposed following both on-site reviews and desktop reviews. The four most commonly imposed regulatory actions in 2015 were a requirement to:
 - be subject to an external compliance review (159);
 - submit further documentation/information or clarification (107);
 - address CPD/training matters (96); and
 - pay a monetary penalty (96).
- The outcomes of the quality assurance on-site reviews are set out in Table E.6. Of the reviews concluded by the RABs in 2015, 69% were awarded 'good with limited improvements required' grades, 12% were awarded 'acceptable overall' grades and 19% were awarded an 'unacceptable' grade.

Table E.1: Statutory audit firms - quality assurance on-site reviews

Year to 31 December 2015	2015 TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Number of quality assurance on-site reviews open at 1 January 2015	155	24	74	44	-	5	8
Add: Quality assurance on-site reviews carried out during 2015	1,117	121	612	240	38	89	17
Less: Quality assurance on-site reviews concluded during 2015, i.e. where the final report has been issued	(1,083)	(116)	(581)	(261)	(38)	(69)	(18)
Quality assurance on-site reviews open at 31 December 2015	189	29	105	23	-	25	7
Quality assurance on-site reviews of firms located in Ireland concluded during 2015, i.e. where the final report has been issued	426	87	2	250	-	69	18

Chart E.1: % of on-site visits concluded during 2015 by total number of statutory audit firms worldwide

Footnote: Table E.1: ICAI's opening figure has been reduced to adjust for 3 reviews ongoing at 1 January 2015 in respect of non-standard reviews that were concluded in 2015 but for which no grades were issued.

Table E.2: Quality Assurance 3 year cycle - statutory audit firms with PIE clients

	TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Total number of statutory auditors or audit firms which fall under S.I. 220 of 2010 remit with PIE clients at 31 December 2015	99	1	85	9	4	-	-
Number of these statutory auditors or audit firms where a quality assurance review has taken place since 20 May 2010	93	1	79	9	4	-	-
Number of quality assurance reviews of these statutory auditors or audit firms planned to take place by 20 May 2016	36	-	36	-	-	-	-

Table E.3: Quality Assurance 6 year cycle - statutory audit firms with no PIE clients

	TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Total number of statutory auditors or audit firms which fall under S.I. 220 of 2010 remit with no PIE clients at 31 December 2015	5,173	479	3,171	885	195	362	81
Number of quality assurance reviews carried out since 20 May 2010	4,476	411	2,836	674	187	301	67
Number of quality assurance reviews planned to take place by 20 May 2016	727	51	534	75	8	45	14

Footnote: Table E.2: ICAEW figures include audit firms who conduct 'major audits' under the UK Companies Act 2006 Schedule 10 which require triennial inspections. These are outside the S.I. 220 of 2010 PIE definition.

Table E.4: Quality assurance reviews - analysis of reasons

Year to 31 December 2015	Recognised Accountancy Bodies					
	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Number of expected quality assurance on-site visits to be undertaken in 2015	130	620	219	43	85	24
Number of on site reviews actually undertaken in 2015	121	612	240	38	89	17
Number of desk top reviews undertaken in 2015	10	33	4	-	10	2
Analysis of the reasons for each visit:						
Part of normal cycle (randomly/routinely)	55	587	224	24	82	17
Due to heightened risk (excluding early follow-ups)	-	16	-	14	1	-
Following a referral from a committee	14	9	5	-	1	-
Re-review/early follow-up	52	-	6	-	5	-
Other reason	-	-	5	-	-	-

Table E.5: Statutory audit firms - quality assurance - regulatory actions

Year to 31 December 2015	Recognised Accountancy Bodies					
	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Number who have had their audit registration withdrawn as a result of the findings of a quality assurance review	5	-	-	-	-	-
Number who have had their audit registration suspended as a result of the findings of a quality assurance review	-	-	14	-	-	-
Number who voluntarily surrendered their audit registration as a result of the findings of a quality assurance review	5	3	15	1	2	-
Number referred to the investigations & disciplinary process	6	10	8	-	1	-
Number where the sanction included publication	11	20	-	2	-	-
Number where there is a requirement for a follow up review	3	1	3	2	10	4
Number who have had a hot file review restriction	3	14	28	4	-	3
Number who have had a desk-top/cold file review of client files imposed	-	16	-	9	43	2
Number who have had monetary penalties imposed	-	26	68	2	-	-
Number directed to address CPD/training matters	1	11	68	-	16	-
Number directed not to accept further audit appointments	-	17	13	-	-	-
Number required to submit further documentation/information or clarification	2	5	27	4	69	-
Number required not to undertake file review for other firms	-	12	72	-	-	-
Number subject to external compliance review	-	2	155	1	-	1
Number to submit results of internal compliance review	-	-	-	1	41	2
Number of conditions/restrictions imposed as a result of the findings of a quality assurance review other than those listed above	-	63	9	-	-	-

Table E.6: Statutory audit firms - on-site quality assurance reviews - grades awarded

Year to 31 December 2015 (for quality assurance on-site reviews concluded during 2015)	Recognised Accountancy Bodies						
	TOTAL	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Good with limited improvements required	751	81	451	129	28	52	10
Acceptable overall with improvements required	132	16	82	19	7	-	8
Unacceptable with significant improvements required	200	19	48	113	3	17	-
Total	1,083	116	581	261	38	69	18

PART F

PABs' investigation and disciplinary activities

PABs' investigation and disciplinary processes

The PABs are responsible for the investigation of complaints against their members/member firms and are required to process them in accordance with their investigation and disciplinary procedures, which are approved by IAASA. When a member of the public makes a complaint to a PAB, or relevant information comes to a PAB's attention concerning the conduct or competence of a member/member firm, the PAB has a number of options available to it. These typically include:

- investigation by a delegated staff member or by a Committee; or
- closure by conciliation or other means provided for in its approved investigation and disciplinary procedures. Usually, conciliation is only permitted for minor matters and requires the complaint to be resolved to the mutual satisfaction of all parties.

In cases where the initial investigation concludes that there appears to be a case against a member/member firm, the complaint may be referred to the formal disciplinary process or the member/member firm may be offered a consent order, where the member/member firm admits to the findings made and consents to the imposition of sanctions. As each PAB's investigation and disciplinary procedures are tailored to its specific requirements, the manner in which complaints are processed varies. For example, not all of the PABs' processes and procedures provide for conciliation or consent orders. However, there are many similarities, such as the organisation of investigation, disciplinary and appeals systems through committee structures.

PABs' investigation and disciplinary activities – tables

Tables F.1 to F.6 provide information on the number of complaints received by the PABs during 2015, along with details of cases closed, the outcome of complaint cases, commonly imposed sanctions and the nature of complaints.

- Table F.1 shows that 164 new Irish relevant complaint cases arose during 2015. There were 157 such cases open at the beginning of the year with 135 closed by the PABs. 67% of cases were closed following an investigation, disciplinary or appeal committee with the remaining 33% of cases dealt with at an initial stage by conciliation, staff or an assessor.
- Tables F.3 to F.4 detail that 43% of Irish relevant complaints and 42% of statutory auditor/audit firm cases were concluded with no adverse finding being made.
- Where an adverse finding was made, the most common sanction (as per Table F.5) for both Irish relevant (41) and statutory auditors (56) was the imposition of a monetary penalty.
- Table F.6 sets out the nature of matters which give rise to complaints. Poor work or unsatisfactory professional service or conduct was the most frequent complaint type across both Irish relevant and statutory auditor/audit firms.

Table F.1: Summary of complaints - Irish relevant

Year to 31 December 2015	TOTAL	Recognised Accountancy Bodies								
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Complaints outstanding at 1 January 2015	157	33	-	97	-	16	10	-	1	-
During the year:										
ADD: New cases arising during the year	164	38	-	105	-	17	3	1	-	-
LESS: Cases closed during the year by:										
- Conciliation	(2)	(2)	-	-	-	-	-	-	-	-
- Secretary/Staff	(40)	(16)	-	(15)	-	(5)	(4)	-	-	-
- Assessor	(2)	(2)	-	-	-	-	-	-	-	-
- Investigation/Complaints Committee	(52)	-	-	(44)	-	(6)	(1)	(1)	-	-
- Disciplinary Committee	(35)	(12)	-	(18)	-	(5)	-	-	-	-
- Appeal Committee	(4)	(1)	-	(3)	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-	-	-
Cases closed	(135)	(33)	-	(80)	-	(16)	(5)	(1)	-	-
Complaints outstanding at 31 December 2015	186	38	-	122	-	17	8	-	1	-

Footnote: ACCA's opening figure has been adjusted by 4 to rectify an error in their 2014 closing figure due to incorrect data being input in the ACCA centralised database. ACCA has advised us that the database is under constant review for accuracy.

Table F.2: Summary of complaints - statutory auditors/audit firms

Year to 31 December 2015	TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Complaints outstanding at 1 January 2015	226	47	80	78	1	14	6
During the year:							
ADD: New cases arising during the year	151	48	43	47	-	11	2
LESS: Cases closed during the year by:							
- Conciliation	(8)	(8)	-	-	-	-	-
- Secretary/Staff	(52)	(19)	(17)	(9)	-	(3)	(4)
- Assessor	(6)	(6)	-	-	-	-	-
- Investigation/Complaints Committee	(59)	-	(22)	(31)	(1)	(4)	(1)
- Disciplinary Committee	(25)	(13)	(7)	(1)	-	(4)	-
- Appeal Committee	(1)	(1)	-	-	-	-	-
Cases closed	(151)	(47)	(46)	(41)	(1)	(11)	(5)
Complaints outstanding at 31 December 2015	226	48	77	84	-	14	3

Footnote: ACCA's opening figure has been adjusted by 5 to rectify an error in their 2014 closing figure due to incorrect data being input in the ACCA centralised database. ACCA has advised us that the database is under constant review for accuracy.

Table F.3: Summary of outcome of complaints closed - Ireland relevant

Year to 31 December 2015	TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA			
Number of concluded complaint cases where an adverse finding was made, and sanctions or other penalties imposed	40	10	-	22	-	6	1	1	-	-
Number of concluded complaint cases where an adverse finding was made, but no sanctions or other penalties imposed	32	12	-	17	-	3	-	-	-	-
Number of concluded complaint cases where an adverse finding was not made	58	10	-	41	-	7	-	-	-	-
Number of complaint cases concluded by conciliation	5	1	-	-	-	-	4	-	-	-
Total	135	33	-	80	-	16	5	1	-	-

Table F.4: Summary of outcome of complaints closed - statutory auditors/audit firms

Year to 31 December 2015	TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Number of concluded complaint cases where an adverse finding was made, and sanctions imposed	56	11	26	12	1	5	1
Number of concluded complaint cases where an adverse finding was made, but no sanctions imposed	24	17	2	3	-	2	-
Number of concluded complaint cases where an adverse finding was not made	63	15	18	26	-	4	-
Number of complaint cases concluded by conciliation	8	4	-	-	-	-	4
Number of complaint cases closed due to resignation of member	-	-	-	-	-	-	-
Total	151	47	46	41	1	11	5

Table F.5: Analysis of most frequent sanctions imposed

Year to 31 December 2015	TOTAL	Recognised Accountancy Bodies								
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Irish relevant										
Number of cases where a monetary sanction was imposed including fine or costs	41	12	-	22	-	6	1	-	-	-
Number of cases where an adverse finding was made and the publication of sanctions included the member's name	34	10	-	22	-	2	-	-	-	-
Number of cases where a reprimand was imposed	30	9	-	15	-	6	-	-	-	-
Number of cases where a consent order was accepted	14	-	-	11	-	1	1	1	-	-
Statutory auditor/audit firms										
Number of cases where a monetary sanction was imposed including fine or costs	56	13	24	12	1	5	1	-	-	-
Number of cases where an adverse finding was made and the publication of sanctions included the member's name	53	11	25	15	1	1	-	-	-	-
Number of cases where a reprimand was imposed	36	11	8	12	-	5	-	-	-	-
Number of cases where a consent order was accepted	31	-	18	11	-	1	1	-	-	-

Table F.6: Nature of complaints - most frequently received

Year to 31 December 2015	TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA			
Irish relevant										
Poor work or unsatisfactory professional service or conduct	52	17	-	22	-	11	2	-	-	-
Breach of code of ethics	30	-	-	30	-	-	-	-	-	-
Other audit related matters	18	11	-	5	-	1	1	-	-	-
Matters relating to insolvency work or conduct of a liquidation	12	1	-	8	-	2	1	-	-	-
Statutory auditor/audit firms										
Poor work or unsatisfactory professional service or conduct	74	25	21	19	-	7	2	-	-	-
Breach of code of ethics	25	-	2	23	-	-	-	-	-	-
Other audit related matters	25	16	3	4	-	1	1	-	-	-
Matters relating to insolvency work or conduct of a liquidation	6	1	-	4	-	1	-	-	-	-



IAASA

Irish Auditing & Accounting
Supervisory Authority

Willow House, Millennium Park, Naas, Co Kildare, Ireland

Tel: +353 (0) 45 983 600 | **Fax:** +353 (0) 45 983 601 | www.iaasa.ie